The Dun & Bradstreet Corporation

The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

Business Expectations
Vol. 29, No. 1
1st Quarter 1988

News

For Immediate Release

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BUSINESS EXPECTATIONS REMAIN HIGH

FOR FIRST QUARTER OF 1988

Two Other Dun & Bradstreet Surveys Indicate

October 19 Stock Market Drop

Failed To Dampen Optimism In Coming Year

NEW YORK, Dec. 14--Despite the stock market drop of October 19, business expectations for the first quarter of 1988 remain in the same high range they've been in the past three years, according to three recent surveys by The Dun & Bradstreet Corporation.

"The Dun & Bradstreet Survey of Business Expectations, which has been tracking the pulse of business since 1947, shows the sales optimism index stood at 70 for the first quarter--a level exceeded only once in the past three years," said Joseph W. Duncan, corporate economist and chief statistician for The Dun & Bradstreet Corporation.

In addition preliminary results from two other D&B

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surveys conducted in the wake of the market crash--a Dun's 5,000 Survey on capital spending and the Dun & Bradstreet Manufacturing Plant Survey--support the findings that the outlook for 1988 remains healthy.

In the Dun's 5,000 survey, for instance, roughly 75 percent of the respondents said their capital spending plans for 1988 would not be negatively affected by the stock market slump. The two exceptions to the overall findings were smaller companies with less than 20 employees and companies in the construction business. Duncan noted that smaller businesses are typically more flexible and more anxious about making large investments, while construction companies are reluctant to make capital outlays when the future course of interest rates is uncertain.

"Companies base their capital spending decisions on economic realities, such as the need to increase capacity, improve productivity and to respond to expanding markets--all of which have relatively little to do with conditions on Wall Street," Duncan said. He also noted that a Dun's 5,000 Survey on capital spending in November of last year showed that capital spending would not be inhibited by the then-new tax reform legislation, despite headlines indicating the loss of the Investment Tax Credit would be detrimental.

The Dun & Bradstreet Manufacturing Plant Survey of 1500 plant managers at manufacturing facilities showed that from the pre- to post-October 19 environment there was an immediate reduction in plans for future production, but that the reduction was small in terms of total impact. In addition, the study showed that following the immediate impact, the levels of

optimism have remained steady despite the continuing uncertainty. "This is largely due to the fact that the manufacturing sector is currently driven by export orders.While there is some uncertainty about growth in Europe and Asia, order books are currently strong," said Duncan.

In the latest Dun & Bradstreet Business Expectations Survey, conducted between November 9 and November 23, executives in manufacturing, retailing, and wholesaling were asked if they expected an increase, a decrease or no change in first-quarter sales, profits, prices, inventories, employment and new orders. The Dun & Bradstreet Optimism Index in these various categories was arrived at by subtracting the percentage of those calling for decreases from those expecting increases.

Sales

Among all survey respondents, the sales optimism index dipped slightly in the first quarter to 70 from 73 in the fourth quarter of 1987. While the decrease was felt among all categories of business, the retailing sector showed the largest decline to 65 on the index from 68 in the previous quarter. "These results underscore the fact that consumers base their buying decisions on their own financial situations, not Wall Street's," said Duncan.

Profits

The optimism index for profits for all companies fell only one index point to 63 in the first quarter from 64 in the fourth quarter of 1987. The index for manufacturers remained the same

at 65, while the retail index for profits rose to 61 from 56 and the wholesalers' index fell to 62 from 65.

Prices

The optimism index for prices rose to 41 in the first quarter from 36 in the previous quarter. It now stands at the same level reached in the fourth quarter of 1984. Expectations for higher prices were reflected in all categories except for retailing, which was down to 36 from 41.

Inventories

The optimism index for increased inventories dropped to 23 in the first quarter from 25 due largely to the retail sector, where the index dropped to 19 from 31.

Employees

Increased employment was the only area which showed an overall increase on the optimism index, rising to 26 in the first quarter from 23. Despite a slight downturn among retailers and manufacturers, wholesalers rose to 26 from 18.

New Orders

The index for new orders among manufacturers in the first quarter fell to 67 from 73 in the fourth quarter.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $3.1 billion in 1986.

(See Attached Tables)

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

Optimism Index - 1980Q1 to 1988Q1

	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
80Q2	61	46	82	39	13
80Q1	44	32	77	23	9

Source: The Dun & Bradstreet Corporation
Economic Analysis Deparment

SURVEY OF BUSINESS EXPECTATIONS
Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FIRST QUARTER OF 1988 COMPARED WITH THE FIRST QUARTER OF 1987

(Interview Period: November 9 to 23, 1987)

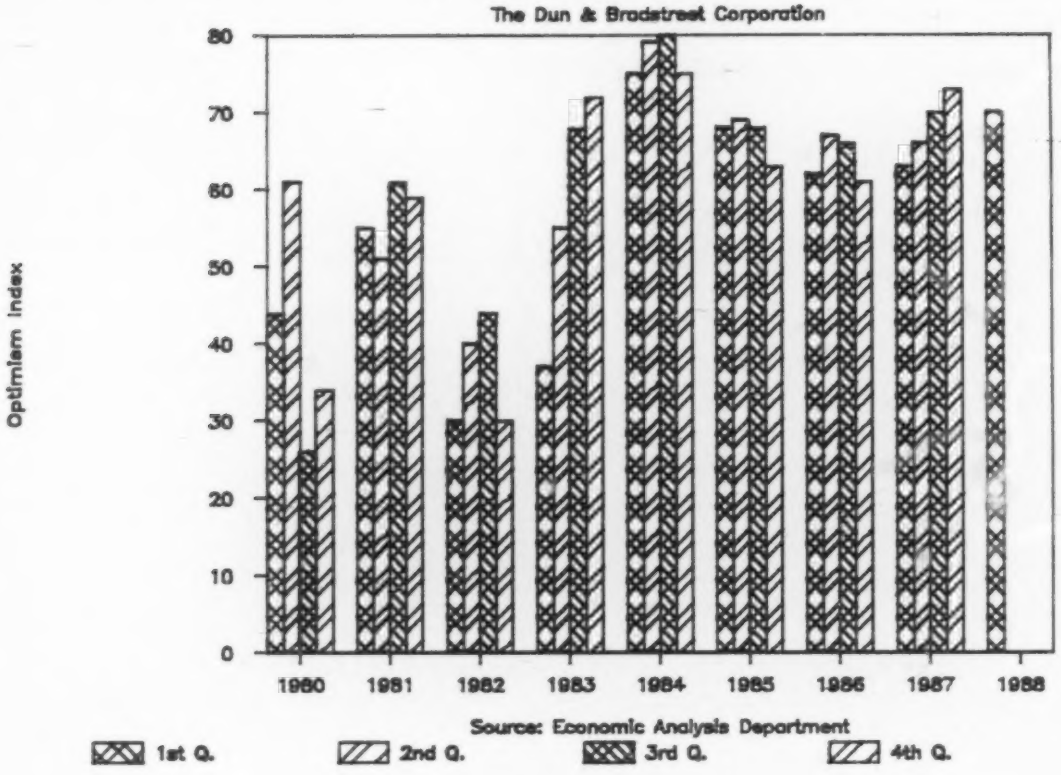
		All Firms	All Manu-facturers	Manufacturers Durables	Manufacturers Non-Durables	Whole-salers	Retailers
Net Sales	Number Reporting:	1,441	646	418	228	474	321
	% Expecting -- Increase	74%	75%	74%	78%	74%	70%
	% Expecting -- No Change	22%	22%	22%	20%	21%	25%
	% Expecting -- Decrease	4%	3%	4%	2%	5%	5%
Net Profits	Number Reporting:	1,402	627	410	217	463	312
	% Expecting -- Increase	67%	68%	69%	67%	67%	65%
	% Expecting -- No Change	29%	29%	27%	31%	28%	31%
	% Expecting -- Decrease	4%	3%	4%	2%	5%	4%
Selling Prices	Number Reporting:	1,409	632	410	222	463	314
	% Expecting -- Increase	44%	43%	43%	43%	47%	39%
	% Expecting -- No Change	53%	54%	54%	55%	49%	58%
	% Expecting -- Decrease	3%	3%	3%	2%	4%	3%
Inventories*	Number Reporting:	1,420	635	411	224	465	320
	% Expecting -- Increase	37%	38%	37%	40%	37%	35%
	% Expecting -- No Change	49%	48%	48%	48%	49%	49%
	% Expecting -- Decrease	14%	14%	15%	12%	14%	16%
Employees*	Number Reporting:	1,443	646	421	225	473	324
	% Expecting -- Increase	30%	33%	36%	28%	30%	23%
	% Expecting -- No Change	66%	62%	58%	68%	66%	73%
	% Expecting -- Decrease	4%	5%	6%	4%	4%	4%
New Orders	Number Reporting:		623	407	216		
	% Expecting -- Increase		70%	69%	72%		
	% Expecting -- No Change		27%	27%	27%		
	% Expecting -- Decrease		3%	4%	1%		

* End of Quarter

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

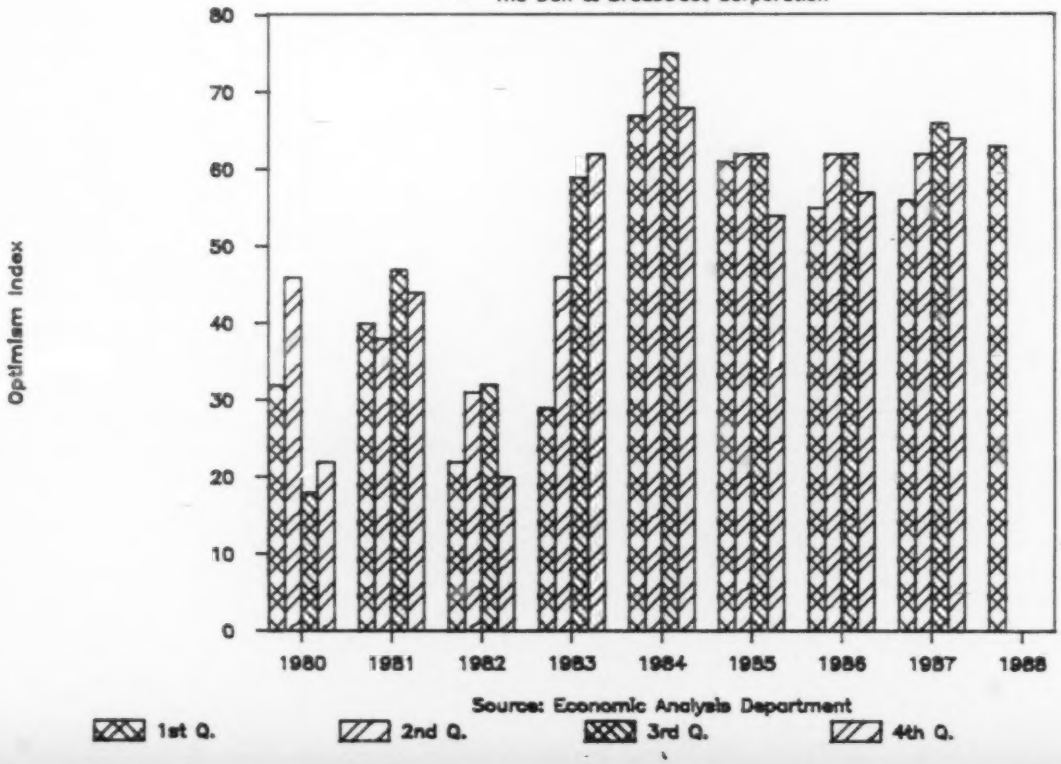
Business Expectations — Sales

The Dun & Bradstreet Corporation



Business Expectations — Profits

The Dun & Bradstreet Corporation



DUNS 5000 - NOVEMBER 1987 CAPITAL SPENDING SURVEY

"WILL THE RECENT VOLATILITY AND DECLINE IN PRICE LEVELS IN THE STOCK MARKET HAVE A NEGATIVE IMPACT ON YOUR CAPITAL SPENDING PLANS?"

PERCENT OF FIRMS WITHIN SIZE CATEGORIES (Row Percent)

Size of Firm	NO	YES	POTENTIAL IMPACT	WAIT & SEE APPROACH	UNSURE	TOTAL
(No. of Employees)						
1 to 19	64.0%	15.5%	6.3%	7.4%	6.8%	100.0%
20 to 99	74.6%	9.3%	4.1%	4.8%	7.2%	100.0%
100 to 499	76.6%	7.5%	5.8%	5.8%	4.2%	100.0%
500 to 999	81.1%	7.2%	0.9%	3.6%	7.2%	100.0%
1,000 to 4,999	78.3%	5.1%	6.5%	4.3%	5.8%	100.0%
5,000 or more	74.6%	4.9%	7.7%	5.9%	6.9%	100.0%

PERCENT OF FIRMS WITHIN INDUSTRY SECTOR (Row Percent)

Industry Sector	NO	YES	POTENTIAL IMPACT	WAIT & SEE APPROACH	UNSURE	TOTAL
Agriculture	77.8%	11.1%	5.6%	5.6%	0.0%	100.0%
Mining	62.9%	8.6%	11.4%	11.4%	5.7%	100.0%
Construction	53.2%	22.8%	10.1%	3.8%	10.1%	100.0%
Manufacturing	74.0%	4.7%	6.3%	9.6%	5.4%	100.0%
Transport./Utilities	79.3%	4.3%	5.4%	2.2%	8.7%	100.0%
Wholesale & Retail	74.0%	10.7%	4.7%	4.7%	6.0%	100.0%
Fin/Ins/Real Estate	72.3%	7.4%	4.3%	7.4%	8.5%	100.0%
Services	77.4%	8.2%	5.7%	2.5%	6.2%	100.0%
Government	71.6%	8.6%	5.2%	7.8%	6.9%	100.0%

The Dun & Bradstreet Corporation

The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

Business Expectations
Vol. 29, No. 2
2nd Quarter 1988

For Immediate Release

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OUTLOOK REMAINS STRONG

FOR SECOND QUARTER GAINS IN SALES AND PROFITS

D&B Survey Finds Manufacturers and Wholesalers Most Optimistic; Outlook for Higher Sales Dips Among Retailers

NEW YORK, March 17--Business expectations for the second quarter of 1988 remain strong, according to the latest national survey of 1,500 business executives by The Dun & Bradstreet Corporation.

"Expectations for higher sales and profits are still at the highest levels since 1984, when the current business expansion was at its peak," said Joseph W. Duncan, corporate economist and chief statistician for The Dun & Bradstreet Corporation. "Business people remain confident in the future, despite lingering uncertainty in the financial markets."

Duncan noted that the only significant decline in optimism occurred in expectations for increased employment. "The drop in employment was driven entirely by the wholesaling and retailing sectors," said Duncan. "In contrast, the manufacturing sector,

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which is experiencing a boost in exports due to the weaker dollar, indicated plans to increase employment," he said. This, he added, confirms the results of our annual Dun's 5,000 employment forecast, released last week, which predicted a large increase in the number of goods-producing jobs in 1988.

In its latest Business Expectations Survey, conducted between February 9 and February 23, Dun & Bradstreet asked 1,500 executives in manufacturing, retailing and wholesaling if they expected an increase, decrease or no change in second-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet has been conducting its quarterly Expectations survey since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents predicting decreases from the percentage of those expecting increases.

Sales

Among all survey respondents, the Sales Optimism Index for the second quarter remained strong at 69, down only slightly from 70 last quarter.

Among wholesalers, expectations for higher sales rose in the second quarter with the index climbing to 71 from 69 in the first quarter of 1988. Sales expectations among retailers posted a sharp decline, falling six points to 59 from a first-quarter level of 65. While the index for all manufacturers slipped two

points to a still-strong 68, the index for manufacturers of non-durable goods rose sharply from 76 last quarter to 81 in D&B's latest survey. "On balance," Duncan said, "we should expect sales to continue to be at least as strong as they were last year."

Profits

The overall outlook for higher profits in the coming quarter increased modestly, with D&B's Profits Expectations Index rising to 64 from 63 in the first quarter.

Among manufacturing firms, the index rose to 67 from 65, while profits expectations among wholesalers moved to 63 from 62 last quarter. Despite lower sales expectations, retailers are still expecting higher second quarter profits, as the index rose to 62 from 61 in the first quarter of 1988. "Expectations for higher profits," Duncan said, "are largely attributable to improved efficiency. In the manufacturing sector, for instance, firms have improved their productivity and reduced unit costs in order to exploit sales opportunities in the U.S. and abroad."

Prices

Expectations for higher prices remained stable in the latest survey at an index of 41, unchanged from the previous quarter. The results by industry sector, however, differed widely. Among manufacturing firms, the index fell to 38 from 40 in the previous quarter. In contrast, the index for the retailing sector showed a marked increase to 42 from 36 last quarter. "As the

contribution to total economic growth from consumers diminishes, retailers will have to depend more and more on price increases to maintain revenue growth and profit levels," explained Duncan.

Inventories

Expectations for increased inventories showed a significant gain, with the index rising to 28 from 23. The gain was due largely to the manufacturing sector, where the index rose to 30 from 24. "Manufacturers are continuing to build their inventories in anticipation of continued growth in export orders," said Duncan.

Employees

The decline in the Employment Expectations Index to 23 from 26 is attributable primarily to drops in the indices for the retail and wholesale sectors, which were down 8 points and 4 points, respectively. In the manufacturing sector, however, the index rose slightly to 29 from 28 in the first quarter.

New Orders

The index for new orders increased to 69 from 67 in the previous quarter.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $3.4 billion in 1987.

(See Attached Tabular Data)

SURVEY OF BUSINESS EXPECTATIONS
Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
SECOND QUARTER OF 1988 COMPARED WITH THE SECOND QUARTER OF 1987

(Interview Period: February 9 to 23, 1988)

		All Firms	All Manu-facturers	Manufacturers Durables	Manufacturers Non-Durables	Whole-salers	Retailers
Net Sales	Number Reporting:	1,486	710	551	159	510	266
	% Expecting -- Increase	75%	76%	74%	82%	76%	67%
	% Expecting -- No Change	19%	19%	20%	17%	19%	25%
	% Expecting -- Decrease	6%	5%	6%	1%	5%	8%
Net Profits	Number Reporting:	1,452	695	537	158	496	261
	% Expecting -- Increase	70%	72%	72%	73%	69%	68%
	% Expecting -- No Change	24%	23%	23%	24%	25%	26%
	% Expecting -- Decrease	6%	5%	5%	3%	6%	6%
Selling Prices	Number Reporting:	1,444	686	531	155	496	262
	% Expecting -- Increase	45%	42%	44%	37%	49%	47%
	% Expecting -- No Change	51%	54%	52%	60%	47%	48%
	% Expecting -- Decrease	4%	4%	4%	3%	4%	5%
Inventories*	Number Reporting:	1,444	687	535	152	494	263
	% Expecting -- Increase	40%	41%	41%	41%	38%	40%
	% Expecting -- No Change	48%	48%	47%	49%	49%	46%
	% Expecting -- Decrease	12%	11%	12%	10%	13%	14%
Employees*	Number Reporting:	1,480	707	548	159	508	265
	% Expecting -- Increase	28%	34%	36%	27%	25%	21%
	% Expecting -- No Change	67%	61%	59%	70%	72%	69%
	% Expecting -- Decrease	5%	5%	5%	3%	3%	10%
New Orders	Number Reporting:		658	521	137		
	% Expecting -- Increase		73%	72%	75%		
	% Expecting -- No Change		23%	23%	23%		
	% Expecting -- Decrease		4%	5%	2%		

* End of Quarter

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

Optimism Index - 1980Q1 to 1988Q2

	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
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82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
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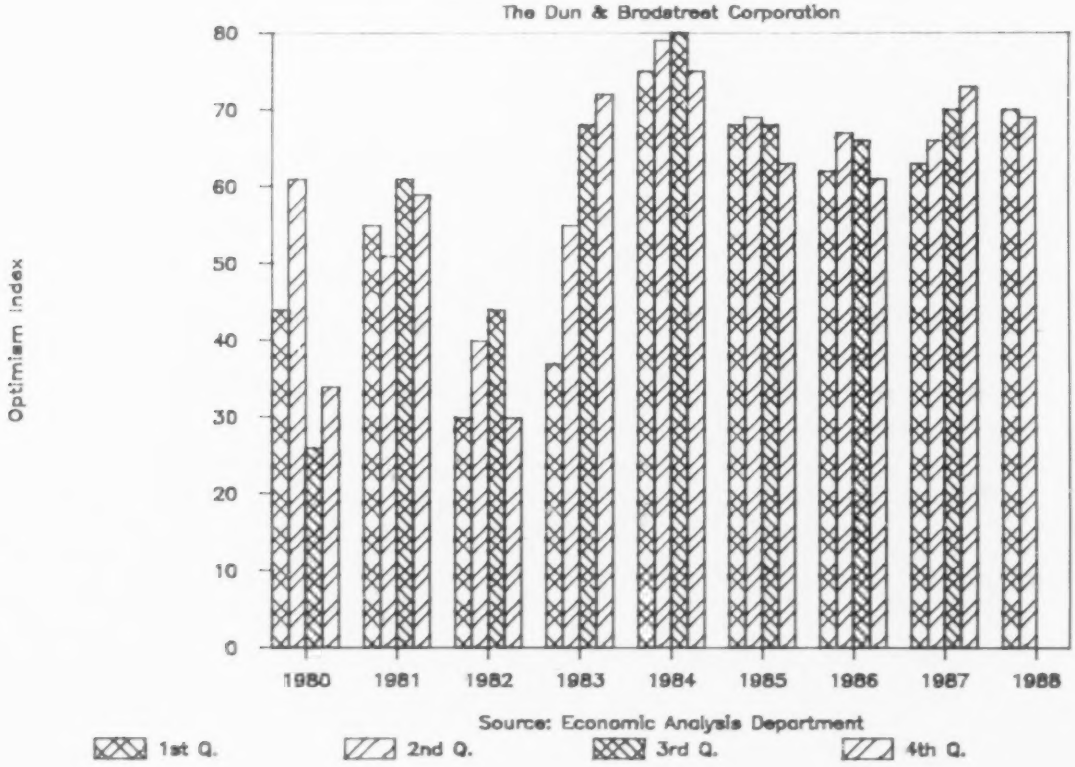
Source: The Dun & Bradstreet Corporation
Economic Analysis Deparment

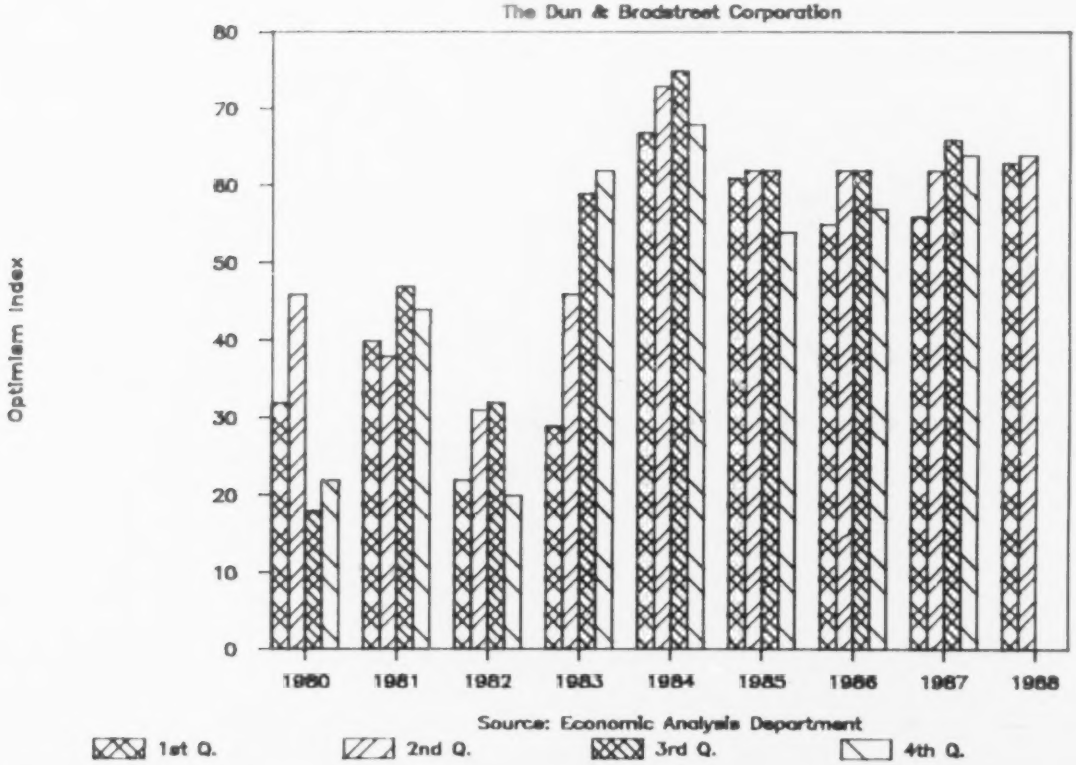
Business Expectations – Sales

The Dun & Bradstreet Corporation



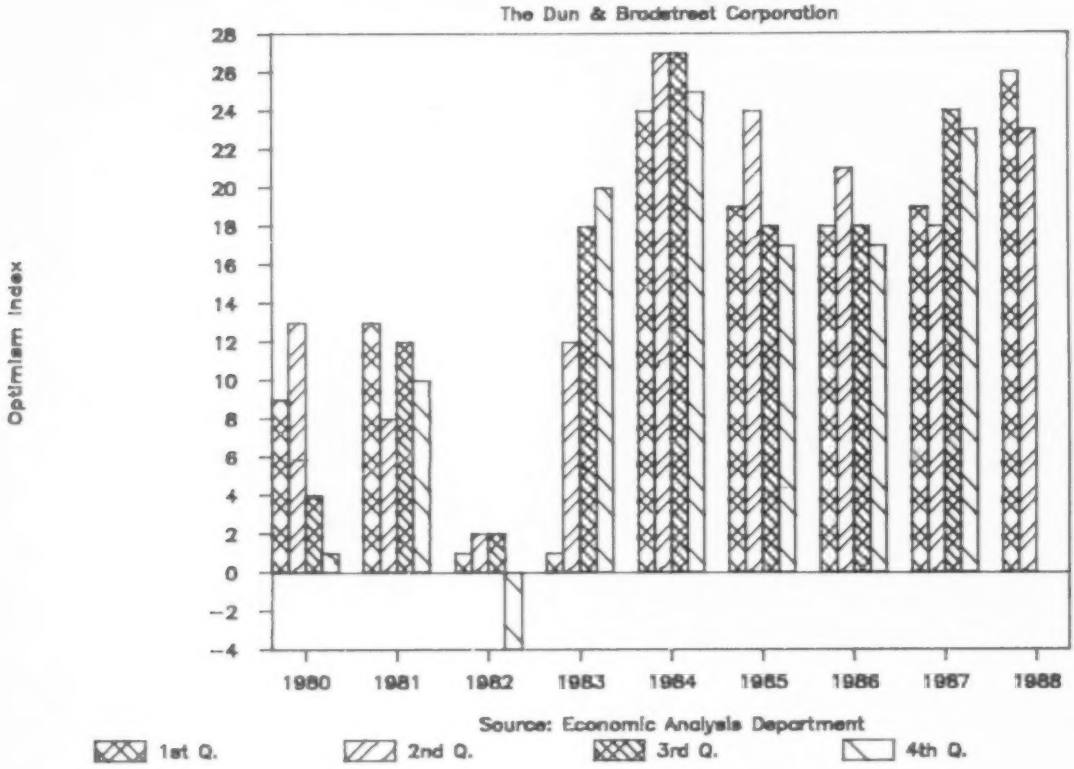
Business Expectations – Profits

The Dun & Bradstreet Corporation



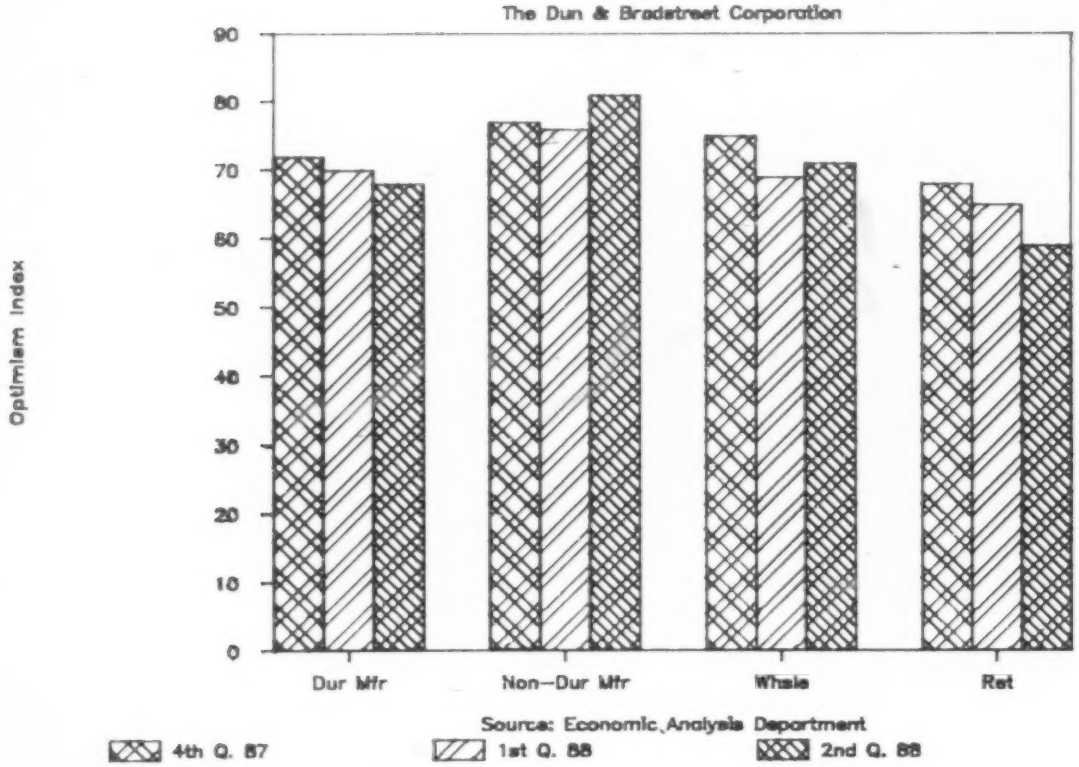
Business Expectations – Employment

The Dun & Bradstreet Corporation



SALES OPTIMISM INDEX

The Dun & Bradstreet Corporation



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The Dun & Bradstreet Corporation

The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

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Business Expectations
Vol. 29, No. 3
Third Quarter 1988

For Immediate Release

BUSINESS EXPECTATIONS FOR THIRD QUARTER REMAIN STRONG SUPPORTED BY INCREASED EXPORTS & SUSTAINED CONSUMER DEMAND

Durable Goods Manufacturers, Wholesalers and Retailers Foresee Increased Sales

NEW YORK, June 20--Buoyed by strong exports and continued overall strength in consumer spending, business expectations for increased sales and profits in the third quarter have reached their highest point this year, according to results of the latest nationwide survey of 1,500 business executives by The Dun & Bradstreet Corporation. Sales expectations have not been at a higher level since the fourth quarter of 1984.

"Economic observers have been waiting for the other shoe to fall since the October crash, but it simply hasn't happened," said Joseph W. Duncan, corporate economist and chief statistician for The Dun & Bradstreet Corporation. "Manufacturers are continuing to benefit from strong export demand, while healthy levels of consumer spending have

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bolstered confidence among wholesalers and retailers for increased sales."

Duncan added, however, that rising orders are beginning to put pressure on production capacity which, in turn, could drive prices up. "The burden is on the manufacturer to expand production capacity in order to ward off inflationary pressures," said Duncan.

In its latest Business Expectations Survey, conducted between May 11 and May 25, Dun & Bradstreet asked 1,500 executives in manufacturing, retailing and wholesaling if they expect an increase, decrease or no change in third-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet has been conducting its quarterly Expectations survey since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents predicting decreases from the percentage of those expecting increases.

Sales

The Sales Optimism Index rose to 73 from 69 in the second quarter. Expectations for increased sales in the third quarter are the highest since the fourth quarter of 1987, and just slightly below the previous peak, when the index rose to 75 in the fourth quarter of 1984.

Wholesalers expressed the largest increase in sales optimism, with the index moving to 78 from 71; followed by manufacturers of durable goods, up to 74 from 68. Expectations for increased sales among manufacturers of non-durable goods fell to 69 from 81.

Profits

Expectations for higher profits rose to 65 from 64. Among manufacturers of durable and non-durable goods, the Profits Optimism Index rose to 70 and 73, respectively. The increase in manufacturers' profit expectations offset expectations of weaker profits among retailers.

"The anticipated rise in profits among manufacturers is directly related to improved productivity and lower breakeven levels," said Duncan.

Prices

Expectations for higher prices in the third quarter rose 3 points to 44. While more wholesalers and retailers indicated they plan to hold pricetags constant in the third quarter, expectations for rising prices jumped among manufacturers of non-durable goods to 50 from 34. Among durable goods manufacturers, the index for increased prices rose to 47 from 40.

"The pressure is on manufacturers to expand production capacity in order to maintain delivery schedules and prices," said Duncan. "If orders go unfilled because manufacturers are unable to meet demand, prices will rise."

Inventories

Expectations for larger inventories in the third quarter fell to 23 from 28, with non-durable goods manufacturers expecting inventories to fall the most. The index among these firms dropped to 19 from 31.

"The expected decline in inventory growth, coupled with expected higher profits and sales, are signs that goods are leaving stores and plant stockrooms quickly. In the aftermath of the stock market crash, it appears that there has been little reduction in domestic consumption, while international demand has given an added boost to the economy," said Duncan.

Employees

The Employment Expectations Index rose to 25 from 23, largely because of a gain in the index for manufacturers of non-durable goods, to 29 from 24, as well as increases in the indices among wholesalers and retailers.

New Orders

The index for new orders for manufacturers of durable goods increased to 71 from 67, while the New Orders Index for non-durable goods manufactured decreased to 72 from 73.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $3.4 billion in 1987.

(See Attached Tabular Data)

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

Optimism Index - 1980Q1 to 1988Q3

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88Q3	73	65	44	23	25
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
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Economic Analysis Department

SURVEY OF BUSINESS EXPECTATIONS
Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
THIRD QUARTER OF 1988 COMPARED WITH THE THIRD QUARTER OF 1987

(Interview Period: May 11 to 25, 1988)

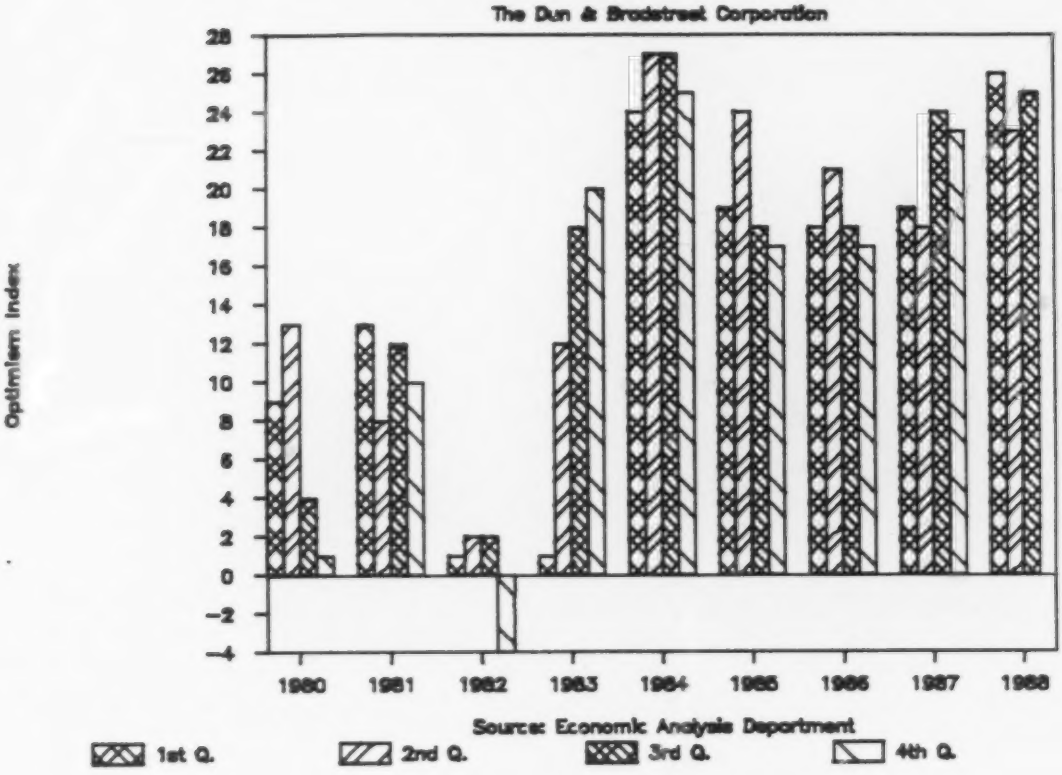
		All Firms	All Manufacturers	Durables	Non-Durables	Wholesalers	Retailers
Net Sales	Number Reporting:	1,476	696	551	145	463	317
	% Expecting -- Increase	77%	77%	78%	72%	81%	70%
	% Expecting -- No Change	19%	19%	18%	25%	16%	25%
	% Expecting -- Decrease	4%	4%	4%	3%	3%	5%
Net Profits	Number Reporting:	1,410	657	525	132	444	309
	% Expecting -- Increase	70%	75%	75%	77%	68%	65%
	% Expecting -- No Change	25%	20%	20%	19%	28%	29%
	% Expecting -- Decrease	5%	5%	5%	4%	4%	6%
Selling Prices	Number Reporting:	1,432	668	532	136	453	311
	% Expecting -- Increase	47%	50%	49%	53%	46%	42%
	% Expecting -- No Change	50%	48%	49%	44%	50%	55%
	% Expecting -- Decrease	3%	2%	2%	3%	4%	3%
Inventories*	Number Reporting:	1,439	674	537	137	456	309
	% Expecting -- Increase	38%	39%	39%	36%	37%	38%
	% Expecting -- No Change	47%	47%	47%	47%	49%	45%
	% Expecting -- Decrease	15%	14%	14%	17%	14%	17%
Employees*	Number Reporting:	1,473	695	551	144	464	314
	% Expecting -- Increase	30%	36%	36%	33%	28%	19%
	% Expecting -- No Change	65%	59%	58%	63%	68%	75%
	% Expecting -- Decrease	5%	5%	6%	4%	4%	6%
New Orders	Number Reporting:		645	522	123		
	% Expecting -- Increase		75%	75%	74%		
	% Expecting -- No Change		22%	21%	24%		
	% Expecting -- Decrease		3%	4%	2%		

* End of Quarter

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

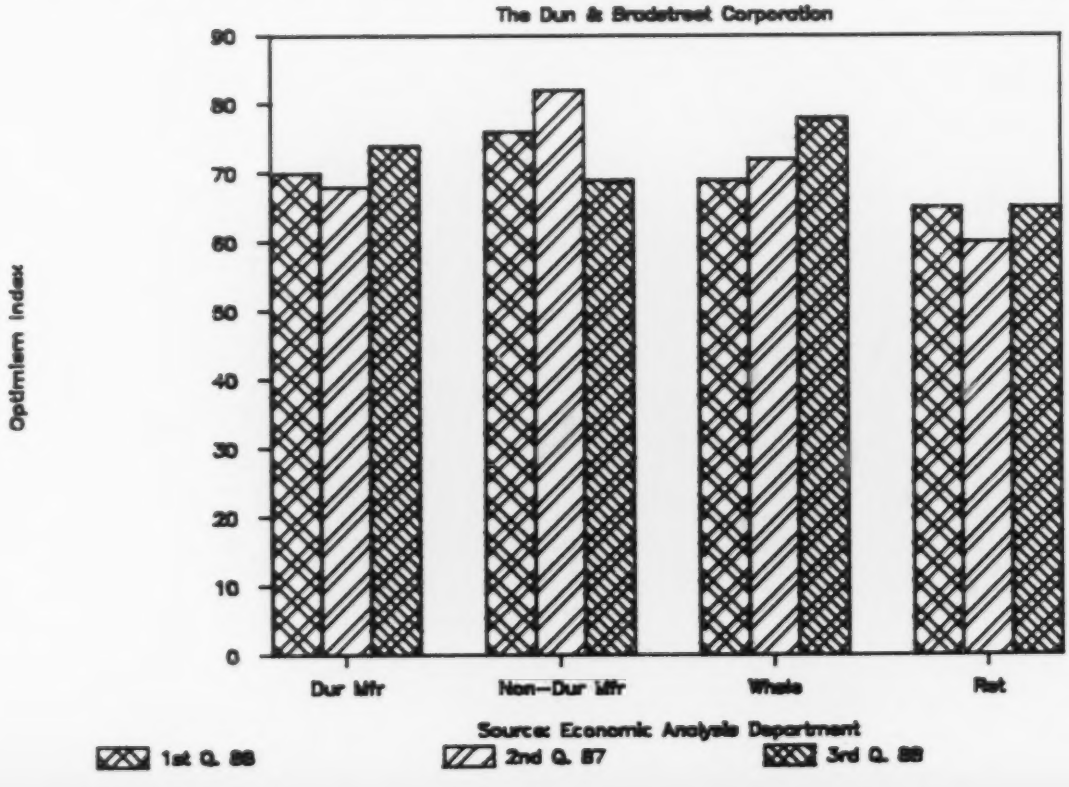
Business Expectations — Employment

The Dun & Bradstreet Corporation



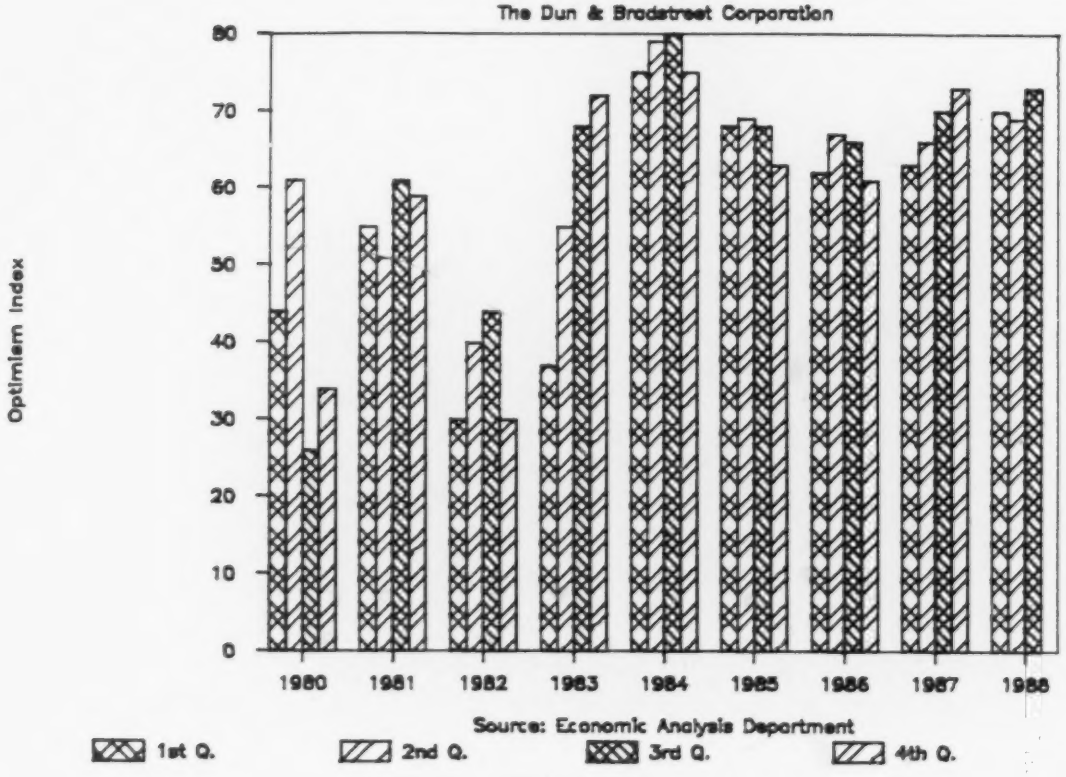
SALES OPTIMISM INDEX

The Dun & Bradstreet Corporation



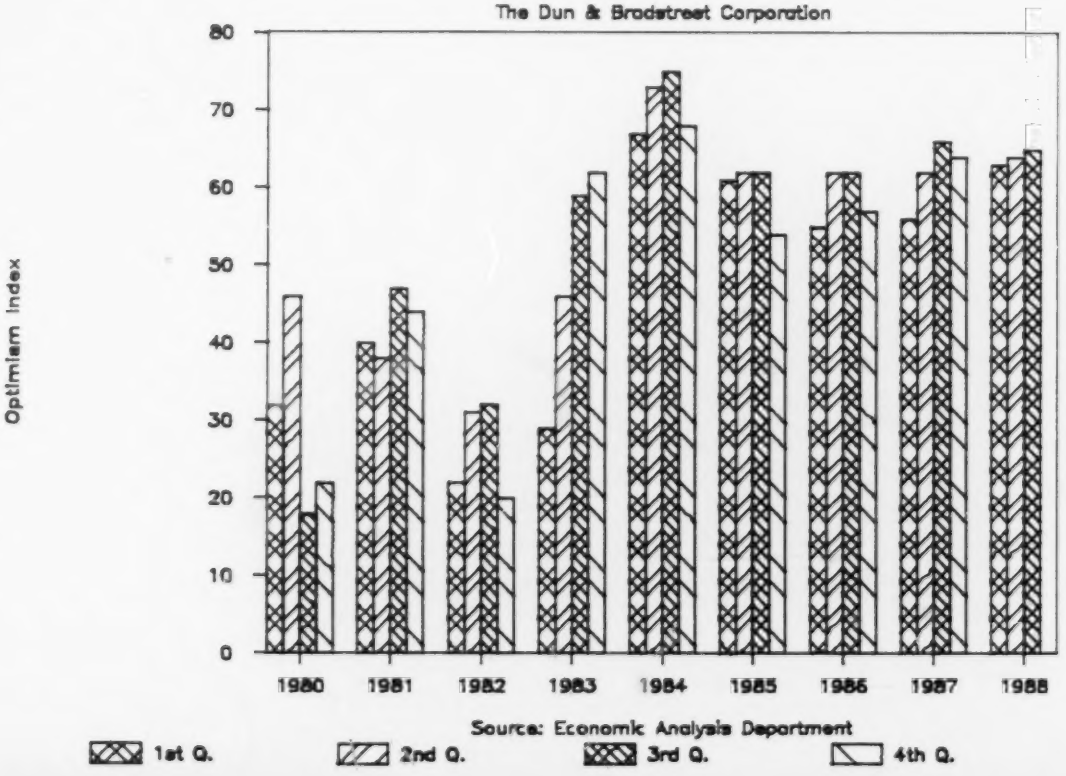
Business Expectations – Sales

The Dun & Bradstreet Corporation



Business Expectations – Profits

The Dun & Bradstreet Corporation



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The Dun & Bradstreet Corporation

The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

News

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Business Expectations
Vol. 29, No. 4
Fourth Quarter 1988

For Immediate Release

BUSINESS EXPECTATIONS FOR FOURTH QUARTER REMAIN STRONG; PROFITS OUTLOOK AT HIGHEST LEVEL SINCE FOURTH QUARTER 1984

Retailers Looking Ahead to Strong Fourth Quarter

NEW YORK, Sept. 21--Led by a bullish outlook among retailers, business executives are forecasting a strong fourth quarter, with expectations for increased profits reaching the highest level since late 1984, according to The Dun & Bradstreet Corporation's latest quarterly survey of 1,500 business executives nationwide.

"Retailers are heading into the fourth quarter with high expectations for the holiday sales season," said Joseph W. Duncan, corporate economist and chief statistician of The Dun & Bradstreet Corporation. "At the same time, the outlook among durable manufacturers remains strong, so we should close out the year on an economic high note."

-MORE-

"Manufacturers and wholesalers are less optimistic," added Duncan. "Sustained consumer demand and increased exports, which earlier this year bolstered expectations, are now beginning to push the manufacturing industry to full capacity and expectations have moderated."

In its latest Business Expectations Survey, conducted between August 15 and August 29, Dun & Bradstreet asked 1,500 executives in manufacturing, retailing and wholesaling if they expect increases, decreases or no changes in fourth-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet has been conducting its quarterly Expectations survey since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents predicting decreases from the percentage of those expecting increases.

Sales

The overall sales optimism index fell slightly in the fourth quarter, slipping to 70 from 73 in the third quarter. Among retailers, however, the index rose to 72 from 65 in the same period. The sales optimism index among non-durable manufacturers held steady at 69, while optimism among durable manufacturers was off three points to 71. Wholesalers reported a sharp decrease in sales expectations, down to 69 from a 1988 high of 78 in the third quarter.

-MORE-

"We are now winding up the sixth year of the current economic expansion, but the American consumer clearly isn't ready to pack it in yet," said Duncan. "Downsizing also has had a significant effect in virtually all industries to help boost profits while sales have been leveling off."

Profits

Expectations for higher profits continued their upward trend, with the index climbing to 67, the highest level since the fourth quarter of 1984. In the fourth quarter, however, the Profits Expectations Index differed widely among industry sectors. Retailers were extremely positive, with an increase in the index of 10 points, up to 69 from 59 in the third quarter. Wholesalers were down slightly to 63 from 64.

Among all manufacturers the index was down to 68 from 70, mostly as a result of a sharp decrease among manufacturers of non-durables, down to 59 from 73 last quarter.

Prices

The index of expectations for higher prices--though still relatively high--fell to 42 from 44 last quarter. The decrease in expectations for higher prices was evident in all industry sectors except retailing, which posted an increase in the index to 45 from 39. Expectations for higher prices among wholesalers dropped five points to 37. Fewer manufacturers also forecast higher prices, with expectations dropping five points to 43 after a 10-point jump in the third quarter.

Inventories

Expectations for increased inventories in the fourth quarter showed a gain, with the index rising to 26 from 23. Retailers and wholesalers led the way. Among retailers, the index for increased inventories rose nine points to 30, while wholesalers reported a five point increase to 28. Both durable and non-durable manufacturers, working at near full capacity, forecast decreases in inventory levels.

Employees

The Employment Optimism Index decreased to 22 from 25. The retail sector was the only industry to forecast increased hiring, with a one-point increase in the index to 14.

New Orders

The index for new orders for manufacturers decreased to 67 from 72.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $3.4 billion in 1987.

(See Attached Tabular Data)

SURVEY OF BUSINESS EXPECTATIONS
Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FOURTH QUARTER OF 1988 COMPARED WITH THE FOURTH QUARTER OF 1987

(Interview Period: August 15 to 29, 1988)

		All Firms	All Manu-facturers	Manufacturers Durables	Manufacturers Non-Durables	Whole-salers	Retailers
Net Sales	Number Reporting:	1,451	697	551	146	475	279
	% Expecting -- Increase	75%	76%	76%	74%	73%	77%
	% Expecting -- No Change	20%	19%	19%	21%	23%	18%
	% Expecting -- Decrease	5%	5%	5%	5%	4%	5%
Net Profits	Number Reporting:	1,403	675	534	141	458	270
	% Expecting -- Increase	71%	72%	74%	65%	68%	73%
	% Expecting -- No Change	25%	24%	22%	29%	27%	23%
	% Expecting -- Decrease	4%	4%	4%	6%	5%	4%
Selling Prices	Number Reporting:	1,403	677	534	143	459	267
	% Expecting -- Increase	45%	46%	46%	47%	42%	47%
	% Expecting -- No Change	52%	51%	51%	49%	53%	51%
	% Expecting -- Decrease	3%	3%	3%	4%	5%	2%
Inventories*	Number Reporting:	1,418	681	539	142	465	272
	% Expecting -- Increase	40%	37%	38%	32%	42%	43%
	% Expecting -- No Change	46%	48%	47%	54%	44%	44%
	% Expecting -- Decrease	14%	15%	15%	14%	14%	13%
Employees*	Number Reporting:	1,447	699	555	144	472	276
	% Expecting -- Increase	28%	31%	33%	23%	29%	21%
	% Expecting -- No Change	66%	64%	61%	74%	65%	72%
	% Expecting -- Decrease	6%	5%	6%	3%	6%	7%
New Orders	Number Reporting:		642	514	128		
	% Expecting -- Increase		71%	71%	69%		
	% Expecting -- No Change		25%	25%	26%		
	% Expecting -- Decrease		4%	4%	5%		

* End of Quarter

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

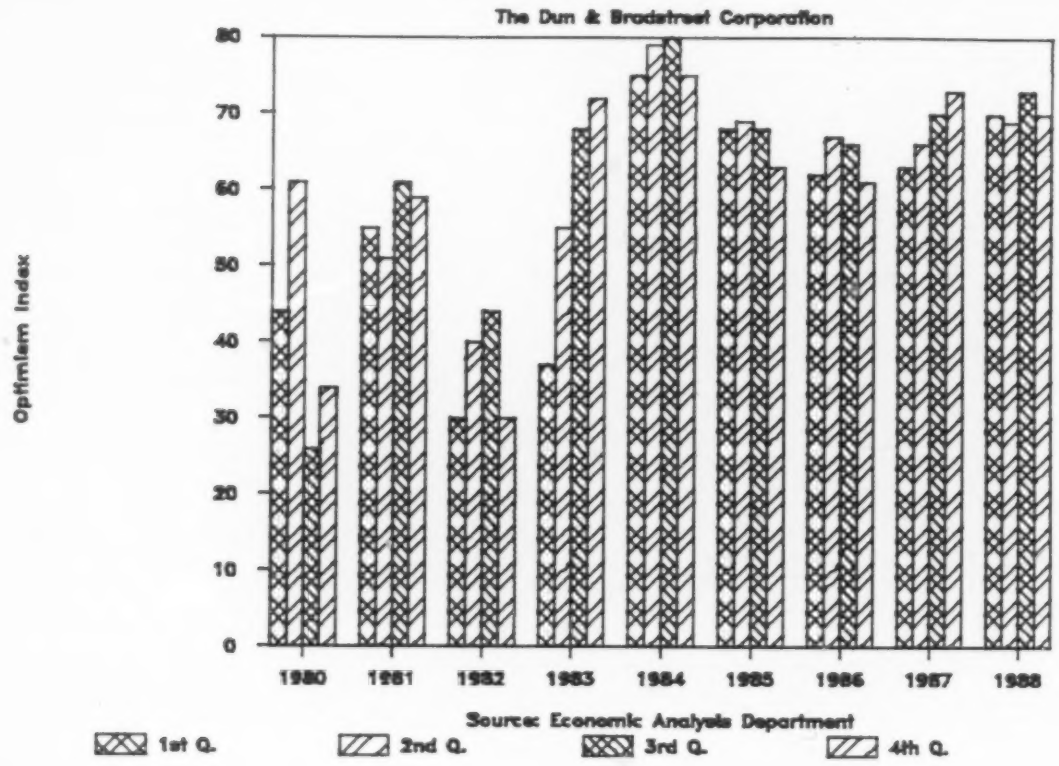
BUSINESS EXPECTATIONS - ALL CONCERNS

Optimism Index - 1980Q1 to 1988Q4

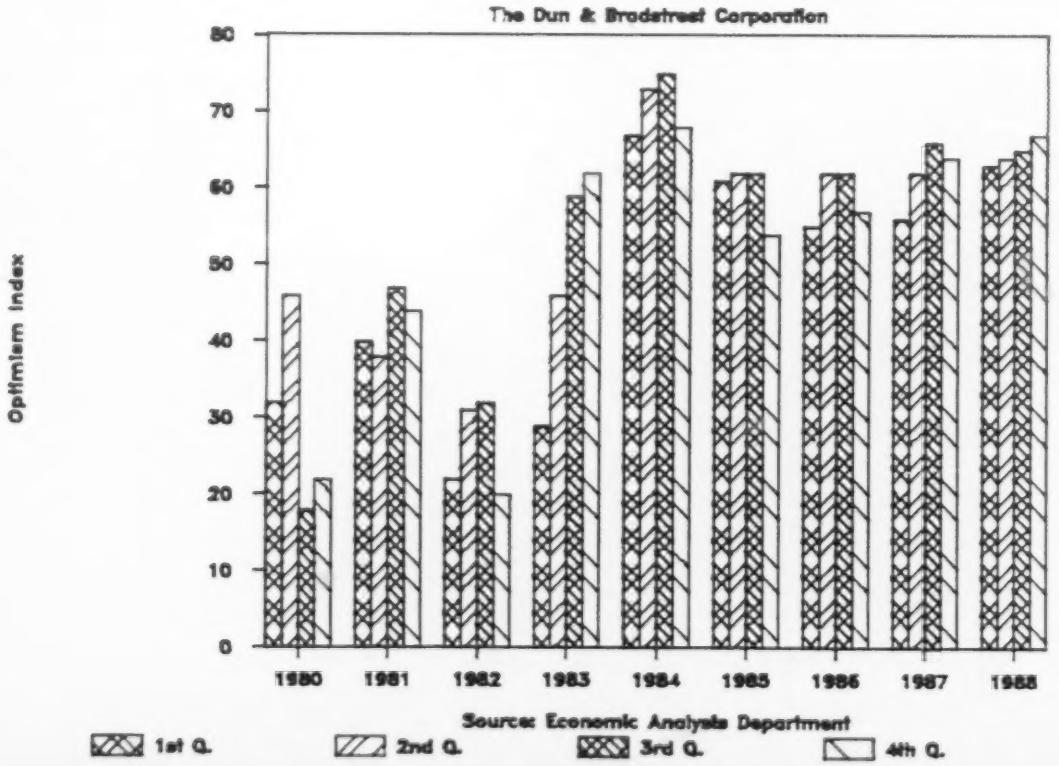
	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
88Q4	70	67	42	26	22
88Q3	73	65	44	23	25
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
80Q2	61	46	82	39	13
80Q1	44	32	77	23	9

Source: The Dun & Bradstreet Corporation

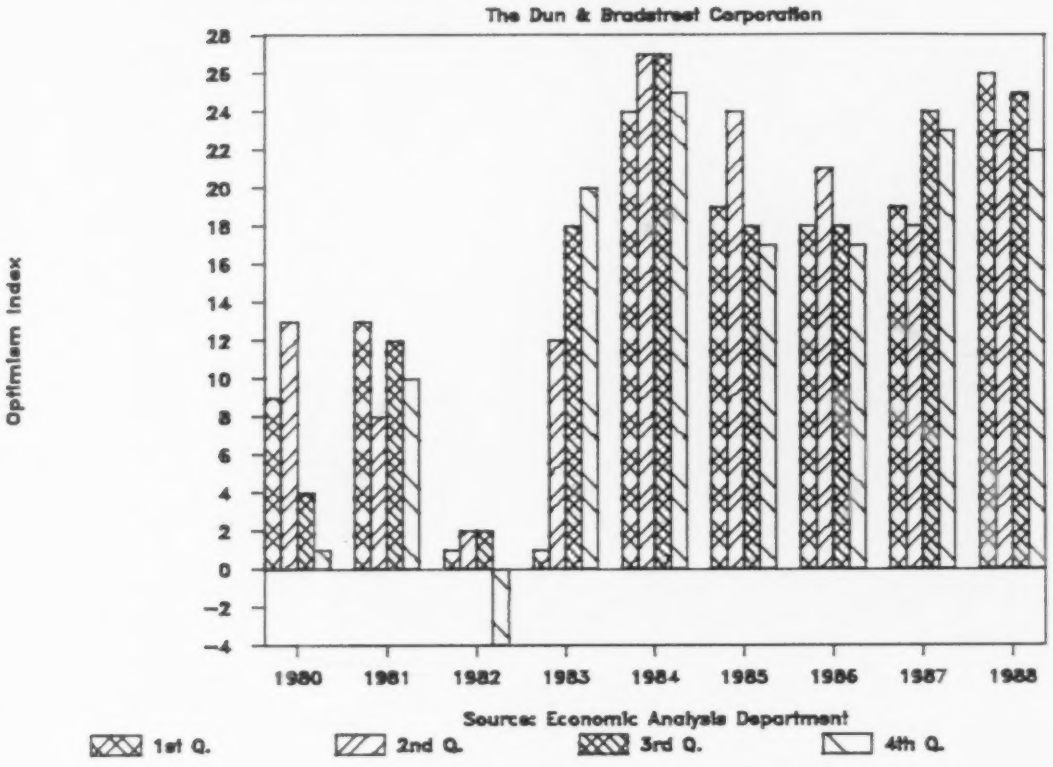
Business Expectations – Sales



Business Expectations – Profits



Business Expectations – Employment



SALES OPTIMISM INDEX